

# Markets on edge as corona spreads

Weak economic data, rising cases spook investors further

**SAMIE MODAK & SUNDAR SETHURAMAN**

Mumbai, 1 March

**T**here seems to be little respite in sight for the markets — which have just seen their worst week in a decade — as the impact of coronavirus has started reflecting in economic data.

Factory activity in China, the global engine of growth, has contracted at the fastest pace on record with China's official Purchasing Managers' Index (PMI) falling to a fresh low of 35.7 in February against 50 in January.

Further, China and South Korea continued to report more coronavirus cases over the weekend, while the US, Australia, and Thailand reported their first cases of death.



**CORONAVIRUS OUTBREAK**

**EDIT P9**  
**RISKS TO REVIVAL**

"It's going to be a tough period," said Shankar Sharma, founder and vice-chairman of First Global. "Coronavirus is a serious problem and can lop off quite a bit from global growth."

The Sensex and Nifty crashed nearly 4 per cent on Friday — the biggest single-day fall since 2015 — to end at 38,297 and 11,202, respectively. Both indices are down nearly 9 per cent from their all-time highs in mid-January.

Turn to Page 5 ▶



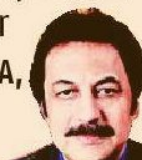
## BEARS IN THE RING



## FEAR TAKES OVER GREED

India has struggled even when global growth has been robust. With a sharply lower global growth forecast, India's could get softer

**SHANKAR SHARMA,**  
Founder & vice-chairman,



A lot of people have gone short, and if markets do not fall further, there could be widespread short-covering

**U R BHAT,**  
Director, Dalton Capital Advisors



**P10 PERSONAL FINANCE**

Virus impact may be short-lived

**P12 THE SMART INVESTOR**

Valuation may fall further

**P13 BUSINESS LAW**

Accounting for

**P11 ECONOMY & PUBLIC AFFAIRS**

Firms stare at prospect of